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**Purpose**

Outline costs that may be paid for with WIC funds

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**Use of WIC  
NSA Funds**

- A. Nutrition Services and Administration (NSA) funds may be used for direct or indirect expenses incurred in the cost of operating the WIC Program.
  - B. Some administrative expenditures must receive prior approval from the State Agency and/or USDA. For more information on expenditures requiring prior approval see Volume V, Section F. For information on including expenses in the local agency budget see Volume V, Section E.
  - C. Expenditures are reported by functional category and may be reported to categories of Breastfeeding, Nutrition Education, Client Services and Program Management. For more information on reporting expenditures by functional category see Volume V, Section F.
  - D. Costs may be allocated to more than one program. For more information on allocating costs to more than one program see Volume V, Section E.
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**Examples of  
Allowable  
WIC Costs**

- A. Following are examples of allowable costs. These examples are not all inclusive. Certain costs although allowable and identified in a budget, may require written prior approval by the State Agency. Questions about an allowable cost should be directed to the State Agency.
  - 1. Accounting costs for developing and maintaining an accounting system to help manage the program
  - 2. Advertising costs incurred by using the media and by direct mail
  - 3. Costs of completing audits and audit related activities
  - 4. Automated data processing (ADP) equipment. See Volume V, Section F for more information on prior approval.
  - 5. Bonding. Cost premiums on bonds covering employees handling WIC funds.
  - 6. Costs incurred in occupying space in privately or publicly owned buildings. Prior approval is required for renovation and some repairs. For prior approval information see Volume V, Section F.

**Examples of  
Allowable  
WIC Costs (cont.)**

- a. Includes any alterations, renovations and repairs to the site housing the WIC Program
  - b. Replacing broken doors, windows, and repair of damaged walls, stairs, banisters, and leaky roofs
  - c. Replacement of carpet, painting office space
  - d. Office and clinic furnishings
7. Capital expenditures such as facilities, equipment or other capital assets and repairs which increase the value of capital assets. Prior written approval is required for these costs. See Volume V, Section F for prior approval information.
  8. Office and clinic furnishings. Prior written approval is required for items over \$250 in value.
  9. Equipment including medical equipment needed for certification purposes, office equipment and audiovisual equipment that may be needed for educational purposes. For more information on reporting these expenditures by functional category see Volume V, Section F. For prior approval information see Volume V, Section F.
  10. Costs incurred for telephone services, postage, printing and reproduction costs and similar expenses.
  11. Costs for maintaining Program staff at the local agency, for their current or accrued compensation for actual services including wages, salaries, and benefits. Fringe benefit costs allowed include a reasonable total compensation package for employees.
  12. Utilities and janitorial services not included in the rent for a facility being used by the Program.
  13. Costs of exhibits related to the Program, including outreach or exhibits used in education of participants.
  13. Foods purchased for demonstrations as part of the nutrition education component of the Program.
  14. Costs for outreach designed to encourage participation in the Program. Some program incentive items may be allowable but must be of nominal value and require prior written approval by the State Agency. Refer to Section E, Purchase of Incentive Items policy page 5.
  15. Legal expenses required for Program administration.

**Examples of  
Allowable  
WIC Costs (cont.)**

16. Materials and supplies necessary to carry out the activities of the Program, including the cost of materials and supplies needed for breastfeeding, nutrition education and client services. For more information on allowable costs for these categories see Volume V, Section F or contact the State Agency for more information.
  17. Costs related to organizational memberships and subscriptions and professional activities necessary for the distribution of technical information related to the Program.
  18. Costs for time spent on the nutrition surveillance system related to assessing the nutritional status of participants in the Program.
  19. Contracting for professional services. May include services such as private physician providing certification data, provision of laboratory data, translators or interpreters, nutrition education evaluations. For more information on prior approval see Volume V, Section F.
  20. Costs incurred in the storage and transporting of records related to the Program.
  21. In general, taxes which the local agency is required to pay.
  22. Costs of training provided for employee development and related to the Program.
  23. Travel costs incurred by WIC personnel for program related activities including travel to clinics, training, vendor management, parking fees and lodging.
  24. Insurance costs such as liability insurance and other coverage, extent and type which is in accordance with state and local government policy and sound business practices.
  25. Costs associated with fair hearing and administrative appeals.
  26. Costs of transporting rural participants to and from WIC clinics are allowable only with the necessary documentation and prior approval of the State Agency.
  27. Indirect costs may be charged to the program only when the local agency has an approved indirect cost rate with a cognizant (lead) Federal or state agency. A cost may not be allocated to an award as an indirect cost if any other cost for the same purpose has been expensed to an award as a direct cost.
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**Examples of  
Unallowable  
WIC Costs**

- A. Costs that are not allowable are listed below. This list may not be all-inclusive. Questions about unallowable costs should be directed to the State Agency.
1. Bad debts.
  2. Contingency provisions. Contributions to a contingency reserve for unforeseen events.
  3. Contributions and donations made by the WIC Program to other organizations, programs, etc.
  4. Entertainment costs (e.g. movies, entrance fees, etc.) unrelated to WIC business.
  5. Fines and penalties. Unallowable except when incurred as a result of compliance with specific provisions of an award or instructions in writing from the awarding agency.
  6. Costs of idle facilities and idle capacity.
  7. Interest, fundraising, and investment management costs.
  8. Losses on other awards.
  9. The value of donated or volunteer services.
  10. Direct reimbursement to participants for transportation costs.
  11. Costs for WIC staff to perform duties related to other programs or services.
  12. Toys.
  13. Meals, snacks or refreshments for participants.
  14. Appliances such as coffee makers, microwaves or refrigerators for employee use.
  15. Beverage supplies such as coffee and water for employees.
  16. Employee uniforms.

**Program  
Income:  
In-kind and  
Other  
Donations**

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It is recommended that program income (other than grant funds), in-kind contributions, and donations are used for expenditures that are within the WIC Program allowable cost guidelines. Please refer to Vol. V, Sec. E, pg. 6 for more information on donated items.